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# Selected Speeches and News Releases

Jan. 21 - Jan. 27, 1993

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# News Releases

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U.S. Department of Agriculture • Office of Public Affairs

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Release No. 0066.93

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## **U.S. TOBACCO INDUSTRY TO BUY 361 MILLION POUNDS OF 1993 BURLEY TOBACCO**

WASHINGTON, Jan. 21—The U.S. Department of Agriculture today announced that U.S. cigarette manufacturers plan to purchase 361 million pounds (farm sales weight) of 1993-crop burley tobacco.

Keith Bjerke, administrator of USDA's Agricultural Stabilization and Conservation Service, said major domestic cigarette manufacturers are required by statute to report annually to USDA their intended purchases of burley tobacco from U.S. auction markets and producers.

Data on intended purchases, the average annual burley exports for the preceding three years and the amount of tobacco needed to attain reserve stock levels is used to determine USDA's annual burley tobacco marketing quota. The 1993 quota will be announced by Feb. 1.

Bjerke said annual burley exports for 1990, 1991 and 1992 averaged 205.8 million pounds, up 18.7 million pounds from the 1989-91 average.

In 1992, manufacturers' intended purchases totaled 445.5 million pounds.

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Release No. 0068.93

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## **USDA ANNOUNCES PREVAILING WORLD MARKET PRICE AND USER MARKETING CERTIFICATE PAYMENT RATE FOR UPLAND COTTON**

WASHINGTON, Jan. 21—Keith Bjerke, executive vice president of USDA's Commodity Credit Corporation, today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world



price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-3.6 and 4.3-4.9, strength 24-25 grams per tex) upland cotton (base quality) and the coarse count adjustment (CCA) in effect from 5:00 p.m. today through 3:59 p.m. Thursday, Jan. 28. The user marketing certificate payment rate announced today is in effect from 12:01 a.m. Friday, Jan. 22, through midnight Thursday, Jan. 28.

The Agricultural Act of 1949, as amended, provides that the AWP may be further adjusted if: (a) the AWP is less than 115 percent of the current crop year loan rate for base quality upland cotton, and (b) the Friday through Thursday average price quotation for the lowest-priced U.S. growth as quoted for Middling (M) 1-3/32 inch cotton, C.I.F. northern Europe (USNE price) exceeds the Northern Europe (NE) price. The maximum allowable adjustment is the difference between the USNE price and the NE price.

A further adjustment to this week's calculated AWP may be made in accordance with this provision. The calculated AWP is 85 percent of the 1992 upland cotton base quality loan rate, and the USNE price exceeds the NE price by 5.44 cents per pound. Following are the relevant calculations:

|     |                                     |                               |
|-----|-------------------------------------|-------------------------------|
| I.  | Calculated AWP .....                | 43.33 cents per pound         |
|     | 1992 Base Loan Rate .....           | 52.35 cents per pound         |
|     | AWP as a Percent of Loan Rate ..... | 85                            |
| II. | USNE Price .....                    | 63.45 cents per pound         |
|     | NE Price .....                      | <u>-58.01</u> cents per pound |
|     | Maximum Adjustment Allowed .....    | 5.44 cents per pound          |

Based on a consideration of the U.S. share of world exports, the current level of cotton export sales and cotton export shipments, and other relevant data, no further adjustment to this week's calculated AWP will be made.

This week's AWP and coarse count adjustment are determined as follows:

### Adjusted World Price

|   |                 |
|---|-----------------|
| NE Price .....                          | 58.01           |
| Adjustments:                            |                 |
| Average U.S. spot market location ..... | 11.82           |
| SLM 1-1/16 inch cotton .....            | 1.55            |
| Average U.S. location .....             | 0.31            |
| Sum of Adjustments .....                | -13.68          |
| Calculated AWP .....                    | <u>44.33</u>    |
| Further AWP Adjustment .....            | - 0             |
| ADJUSTED WORLD PRICE .....              | 44.33 cents/lb. |

### Coarse Count Adjustment

|  |                |
|--|----------------|
| NE Price .....                             | 58.01          |
| NE Coarse Count Price .....                | -53.75         |
|  | <u>4.26</u>    |
| Adjustment to SLM 1-1/32 inch cotton ..... | -3.95          |
| COARSE COUNT ADJUSTMENT .....              | 0.31 cents/lb. |

Because the AWP is below the 1991 and 1992 base quality loan rates of 50.77 and 52.35 cents per pound, respectively, the loan repayment rate during this period is equal to the AWP, adjusted for the specific quality and location plus applicable interest and storage charges. The AWP will continue to be used to determine the value of upland cotton that is obtained in exchange for commodity certificates.

Because the AWP is below the 1992-crop loan rate, cash loan deficiency payments will be paid to eligible producers who agree to forgo obtaining a price support loan with respect to the 1992 crop. The payment rate is equal to the difference between the loan rate and the AWP. Producers are allowed to obtain a loan deficiency payment on a bale-by-bale basis.

The USNE price has exceeded the NE price by more than 1.25 cents per pound for four consecutive weeks and the AWP has not exceeded 130 percent of the 1992 crop year base quality loan rate in any week of the 4-week period. As a result, the user marketing certificate payment rate is 4.19 cents per pound. This rate is applicable for bales opened by domestic users and for cotton contracts entered into by exporters for delivery prior to September 30, 1993. Relevant data used in determining the user marketing certificate payment rate are summarized below:

| Week                                | For the<br>Friday through<br>Thursday<br>Period | USNE<br>Current<br>Price | NE<br>Current<br>Price | USNE<br>Minus<br>NE | Certificate<br>Payment<br>Rate 1/ |
|-------------------------------------|---|--------------------------|------------------------|---------------------|-----------------------------------|
| - - - - - cents per pound - - - - - |   |                          |                        |                     |                                   |
| 1                                   | Dec. 31, 1992                                   | 60.50                    | 54.85                  | 5.65                | 4.40                              |
| 2                                   | Jan. 7, 1993                                    | 60.50                    | 55.18                  | 5.32                | 4.07                              |
| 3                                   | Jan. 14, 1993                                   | 62.55                    | 56.89                  | 5.66                | 4.41                              |
| 4                                   | Jan. 21, 1993                                   | 63.45                    | 58.01                  | 5.44                | 4.19                              |

1/ USNE price minus NE price minus 1.25 cents.

Next week’s AWP, CCA and user marketing certificate payment rate will be announced on Thursday, Jan 28.

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Release No. 0069.93  
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**U.S. TO DONATE CORN TO KAZAKHSTAN**

WASHINGTON, Jan. 21—The United States will donate 200,000 metric tons of corn to the Republic of Kazakhstan under the U.S. Department of Agriculture’s Food for Progress program.

According to Christopher E. Goldthwait, acting general sales manager for USDA’s Foreign Agricultural Service, the \$19 million donation will be sold by the Kazakhstan government to the private sector to help meet the livestock feed needs of Kazakhstan farmers.

Kazakhstan will pay for all ocean transportation, inland transportation, handling, storage and distribution costs within Kazakhstan. In accordance with cargo preference requirements, 75 percent of the commodities will be shipped on U.S. flag vessels.

Under the Food for Progress Program, USDA provides commodities to needy countries to encourage agricultural reform. Under the terms of this agreement, Kazakhstan has agreed to carry out a number of measures to expand the role of the private sector and improve food supplies.

The corn will be purchased on behalf of USDA’s Commodity Credit Corporation on an open tender basis by USDA’s Agricultural Stabilization



and Conservation Service's Kansas City commodity office. The supply period is fiscal 1993.

For more information, contact James F. Keefer, USDA's Foreign Agricultural Service, at (202) 720-9263.

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Release No. 0070.93

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## **U.S. TO DONATE FEED WHEAT TO KYRGYZSTAN**

WASHINGTON, Jan. 21—The United States will donate 100,000 metric tons of feed wheat to Kyrgyzstan, according to Christopher E. Goldthwait, acting general sales manager for the U.S. Department of Agriculture's Foreign Agricultural Service.

The \$30.5 million donation (including ocean freight) will be delivered to the government of Kyrgyzstan to be sold as animal feed to private and public livestock and poultry producers, especially those in remote areas. Proceeds from the sales will be used for developing the country's private sector agricultural economy through financial aid to private and family farms and to associations of agribusiness and cooperatives. Proceeds also will fund programs to improve health and nutrition.

The supply period of the donation is fiscal 1993.

The donation will be made under Section 416(b) of the Agricultural Act of 1949, which authorizes the donation of surplus commodities owned by USDA's Commodity Credit Corporation to developing countries. The program is administered by USDA's Foreign Agricultural Service.

For more information, contact James F. Keefer, FAS, (202) 720-5263.

#

## **OFFICIAL GRAIN INSPECTION AND WEIGHING FEE INCREASES POSTPONED**

WASHINGTON, Jan. 21—The U.S. Department of Agriculture's Federal Grain Inspection Service indefinitely postponed the 3.7-percent fee increases for official grain inspection and weighing services.

FGIS announced the fee increases in an interim rule with a request for comment in the Jan. 8 Federal Register. The increases were to become effective on Feb. 8.

Acting administrator David Gallart said postponing the Feb. 8 effective date will allow additional review of the fee increases.

The deadline for submitting comments on the interim rule remains unchanged. Comments should be submitted on or before March 3, to George Wollam, USDA, FGIS, Room 0624-S, P.O. Box 96454, Washington, D.C. 20090-6454; facsimile machine (202) 720-4628.

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## **USDA ISSUES RULE ON MODIFYING OR EXEMPTING FROM SOYBEAN ORDER**

WASHINGTON, Jan. 22—The U.S. Department of Agriculture has issued an interim final rule listing procedures individuals must follow to request modification of or exemption from the Soybean Promotion and Research Order.

Kenneth C. Clayton, acting administrator of USDA's Agricultural Marketing Service, said, "Anyone subject to the order who believes any of its provisions are not in accordance with law may petition the secretary of agriculture for a hearing."

The order, which became effective July 9, 1991, is funded by a mandatory assessment of one-half of one percent of the net market value on producer sales of soybeans. Assessments are used by the United Soybean Board and state soybean boards for a variety of promotion, research and consumer

information activities. Producers may obtain refunds of assessments paid.

The interim final rule will be published in the Jan. 25 Federal Register. Comments, in duplicate, should be sent by Feb. 24 to Ralph L. Tapp, Chief, Marketing Programs Branch, AMS, USDA, Rm. 2624-S, P.O. Box 96456, Washington, D.C. 20090-6t56.

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Release No. 0072.93

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## **U.S. TO DONATE FEED WHEAT TO GEORGIA**

WASHINGTON, Jan. 22—The United States will donate 100,000 metric tons of feed wheat to Georgia, according Christopher E. Goldthwait, acting general sales manager for the U.S. Department of Agriculture's Foreign Agricultural Services.

The \$29.5 million donation (including ocean freight) will be provided to the government of Georgia to help meet the critical need for animal feed, Goldthwait said. The donated feed wheat will be mixed with local feed stuff and sold to private and public livestock and poultry producers.

Proceeds from the sales will be used to provide better health and nutrition to needy people, and to make low interest rate loans available to private and family farms, agricultural cooperatives, farmers associations and small agribusiness enterprises.

The donation will be made under Section 416(b) of the Agricultural Act of 1949, which authorizes the donation of surplus commodities owned by USDA's Commodity Credit Corporation to developing countries. The program is administered by FAS.

The supply period of the donation is fiscal 1993.

For more information, contact James F. Keefer, FAS, (202) 720-5263.

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## **USDA FIGHTS FOODBORNE ILLNESS IN WASHINGTON STATE**

WASHINGTON, Jan. 22—The U.S. Department of Agriculture is working with the federal Centers for Disease Control and the Washington State Department of Public Health to investigate the cause of an outbreak of foodborne illness in Washington.

We have been told there are at least 100 suspected cases of foodborne illness,” said Dr. Jill Hollingsworth, assistant to the administrator of USDA’s Food Safety and Inspection Service. “It has been linked by the Washington State health department to the bacterium *E. coli* 0157:H7 in undercooked ground beef patties eaten at Jack-in-the-Box restaurants.”

“We cannot emphasize strongly enough the importance of thorough cooking of ground beef and other raw meat products, Hollingsworth said. “Bacteria like the one implicated in this outbreak are completely destroyed when the meat is fully cooked.”

CDC notified FSIS of the outbreak on Monday evening, Jan. 18.

“FSIS officials immediately contacted the authorities in Washington to offer assistance,” Hollingsworth said. FSIS has taken the following actions to determine the origin of the meat patties to ensure that all suspect beef is removed from the marketplace:

—FSIS compliance officers verified that the ground beef recalled from Jack-in-the-Box restaurant had been detained by state authorities at the Tukwila, Wash., warehouse of the distributor, Foodmaker, Inc. FSIS is currently securing samples of the product from Foodmaker to be tested for *E. coli* 0157:H7 at USDA’s laboratory in Beltsville, Md.

—FSIS officials began working with Von’s Companies, Inc., El Monte Calif., the supplier to Foodmaker, Inc., to determine the full extent of the product’s distribution and ensure it is retained and controlled.

—FSIS is sending personnel to Von’s to continue its investigation and to collect environmental samples for laboratory analysis.

—FSIS inspectors are further tracking the meat back to the suppliers and will conduct reviews at these plants to ensure proper procedures are in place.

Consumers with questions about *E. coli* or other food safety issues can call the FSIS Meat and Poultry Hotline at 1-800-535-4555. Callers in the Washington, D.C. area should call (202) 720-3333. The hotline is staffed 10 a.m. to 4 p.m., EST, Monday through Friday.



Release No. 0075.93  
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## **BURLEY TOBACCO ADVISORY COMMITTEE TO MEET FEBRUARY 11**

WASHINGTON, Jan. 25—The U.S. Department of Agriculture's Burley Tobacco Advisory Committee will meet Feb. 11 in Lexington, Ky.

Kenneth C. Clayton, acting administrator of USDA's Agricultural Marketing Service, said the committee will elect new officers, review the past marketing season, consider changes to the policies and procedures, review regulations pursuant to the Tobacco Inspection Act and discuss other related issues.

The 39-member committee, established by the secretary of agriculture, provides information essential to the orderly marketing of burley tobacco and recommends opening dates and selling schedules for the burley tobacco-growing regions from Missouri to Virginia.

The meeting, which is open to the public, will begin at 10 a.m. at the Campbell House Inn, North Colonial Hall, 1375 Harrodsburg Road. Those wishing to address the committee should contact the Director, Tobacco Division, AMS, Room 502 Annex, P.O. Box 96456, Washington, D.C. 20090-6456; tel. (202) 205-0567.

Written comments may be submitted to the same address before or after the meeting, or may be left with the chairman of the advisory committee at the meeting.

Notice of the meeting will be published in the Jan. 26 Federal Register. Copies are available from the above address.

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Release No. 0076.93  
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## **U.S. TO DONATE SOYBEANS FOR FEEDING PROGRAMS IN FORMER SOVIET UNION**

WASHINGTON, Jan. 25—The United States will donate \$2.8 million worth of soybeans to a private voluntary organization, Corporations to End World Hunger Foundation, under the U.S. Department of Agriculture's Food for Progress program.

According to Christopher E. Goldthwait, acting general sales manager, a private voluntary organization will implement a direct feeding program to serve about 55,000 orphans in Moscow, St. Petersburg, Minsk, Kiev and Tbilisi," said Goldthwait. "This program will increase the availability and quality of the food supply for needy children this winter and through the year."

The donation is part of a \$250 million package of humanitarian food assistance to the Russian Federation announced by USDA Sept. 14 (news release no. 0854-92).

Under the Food for Progress program, USDA provides commodities to needy countries to encourage agricultural reform. The program is administered by FAS.

The supply period for this donation is fiscal 1993.

For more information, contact James F. Keefer, FAS, (202) 720-5263.

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Release No. 0077.93

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## **USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES**

WASHINGTON, Jan. 26—The U.S. Department of Agriculture today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

- long grain whole kernels, 8.38 cents per pound;
- medium grain whole kernels, 7.54 cents per pound;
- short grain whole kernels, 7.51 cents per pound;
- broken kernels, 4.19 cents per pound.

Based upon these prevailing world market prices for milled rice, loan deficiency payment rates and gains from repaying price support loans at the world market price level are:

- for long grain, \$1.49 per hundredweight;
- for medium grain, \$1.39 per hundredweight;
- for short grain, \$1.40 per hundredweight.

The prices announced are effective today at 3 p.m. EST. The next scheduled price announcement will be made Feb. 2 at 3 p.m. EST.

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## **ESPY TO CUT WASHINGTON BUREAUCRACY BEFORE CLOSING USDA FIELD OFFICES**

WASHINGTON, Jan. 27—Proclaiming his intention to send a “powerful message to the American taxpayer and the American grower and producer,” Secretary of Agriculture Mike Espy said today that he will propose reorganizing the Washington-based bureaucracy of the U.S. Department of Agriculture before he supports closing any state field offices.

In an interview today with USDA Radio, Espy said, “The first thing we must do at USDA is to re-visit the issue of restructuring, both at the Washington level and out in the field. As I have already stated, before I review any plans that would close field offices, I would first like to send a message to the American taxpayer and the American grower and producer that we are going to look after our shop in Washington by cutting and consolidating and reducing overhead in Washington first. Then, we can consider looking toward closing or consolidating our divisions out in the field and promoting regulatory simplification.

“The Department has come under criticism recently — and over a number of years — for the bloated nature of its bureaucracy,” Espy continued. “The fact is that the Department is perceived by many in the field to be archaic and outmoded in many ways. I realize that in many ways perception is not reality, for we have many fine employees at USDA working hard to promote farm income and new markets. Yet we need to deal with this perception and try to correct it where we can.

“I think that it is very important that, as the first action of the new USDA, we show our new president, Bill Clinton, that we will not propose a type of Washington insider game that requires sacrifice from citizens but not from their leaders. We need to show the country that we fully realize that the Washington operation of USDA is too large, and doesn’t adequately serve the needs of farmers and consumers. We need to correct that and correct that quickly,” said Espy.

The plan by former Secretary of Agriculture Edward Madigan to close USDA field offices was effectively shelved by the decision of the new Office of Management and Budget to review all the last-minute regulations and reorganization plans submitted to the Federal Register by the outgoing Bush Administration. Espy is expected to announce his own reorganization plan in the near future.



